



**CONGRESSIONAL BUDGET OFFICE
PAY-AS-YOU-GO ESTIMATE**

December 14, 2000

S. 2594

An act to authorize the Secretary of the Interior to contract with the Mancos Water Conservancy District to use the Mancos Project facilities for impounding, storage, diverting, and carriage of nonproject water for the purpose of irrigation, domestic, municipal, industrial, and any other beneficial purposes

As cleared by the Congress on December 4, 2000

S. 2594 would allow the Secretary of the Interior to enter into contracts with the Mancos Water Conservancy District for impounding, storing, diverting, or carrying nonproject water using the facilities of the federally operated Mancos Project in Colorado. Under current law, the federal government may not use those facilities to move any nonproject water.

S. 2594 authorizes the Secretary to charge a fee to the district, but it does not require the district to reimburse the federal government for the full cost of handling nonproject water. Based on information from the Bureau of Reclamation, however, CBO expects that the Secretary would only use the new authority to enter into contracts with the district that would fully reimburse the government. CBO estimates that the cost of handling the nonproject water would be less than \$500,000 each year, and net costs would be negligible each year.

The CBO staff contact for this estimate is Rachel Milberg. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.